PERCRITICAL OCESSING, INC.

986 Postal Road Allentown, PA 18103 Telephone (215) 266-9693 Telefax (215) 266-1482

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Dr. James L. Charles Director of Research Philip Morris U.S.A. Post Office Box 26583 Richmond, Virginia 23261

Dear Dr. Charles:

We have reviewed the experimental program presented by DEE. Howell and Dobba on Fobruary 19th and are pleased to offer the enclosed proposal for your consideration. Basically, what we propose is to conduct the 32 extraction experiments outlined on the sheet provided to us on February 19th. As discussed, these experiments will be conducted on one of our extraction units, specifically modified for Philip Morris's program. All extracts, exhausted substrates and unprocessed materials will be returned to Philip Morris by overnight air service. -Noanalytical work will be conducted by Supercritical Processing, Inc. (SCP) on any samples, with the possible exception of moisture analyses before and after extraction. In addition to providing all fractionated materials, SCP will provide a written report detailing all experimental conditions and observations.

We are confident that we can assemble the necessary equipment and be prepared to commence work within four weeks of the execution of an agreement, and anticipate that we can complete the experimental program in a six week period with a written report delivered two weeks after the conclusion of the experimental program.

We hope that you will find this proposal satisfactory and that it will form the basis of a long and mutual relationship. We have attempted to respond to 2requests for confidentiality and exclusivity, a competently conducted experimental program. A Tony Howell brought this proposal, please contact Zvi or myself if questions or comments.

Sincerely,

would Raymond J. F

this by. Jim CHARles would like for you

Vice Preside to

CONTRACT,

RJR: dmh

Enclosure